

## Message Text

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ACTION EUR-12

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C O N F I D E T N I A L MOSCOW 12838

STATE FOR EUR/SOV (EDGAR)

USDOC FOR BEWT/DO AND USSR

E.O. 11652: GDS  
TAGS: BGEN, EEWT, ETRD, UR  
SUBJECT: ADDITIONAL PERSONNEL FOR BELARUS MACHINERY,  
INC. (BMI)

REF: STATE 122479 AND PREVIOUS

1. DURING JUNE 1 MEETING AT SOVIET MINISTRY OF FOREIGN  
TRADE (MFT) WITH N.V. ZINOV'YEV, CHIEF, ADMINISTRATION  
FOR TRADE WITH AMERICA AND LATIN AMERICA, A/DAS STROH  
NOTED THAT SOVIET TRADE REPRESENTATIVE MKRTUMOV WOULD BE  
MEETING IN WASHINGTON JUNE 9 WITH ASSISTANT SECRETARY  
WEIL AND WONDERED WHAT TOPICS MFT WISHED RAISED AT  
THAT MEETING. ZINOV'YEV REPLIED THAT REQUEST OF BELARUS  
MACHINERY, INC., (BMI) FOR TWO MORE SOVIET EMPLOYEES  
WOULD BE HIGH ON LIST. ZINOV'YEV EXPLAINED THAT SOVIET  
INTENTIONS WERE TO REASSIGN "PERMANENTLY" TWO EMPLOYEES  
FROM AMTORG STAFF IN NEW YORK TO BMI STAFF. SUCH A  
SHIFT, ZINOV'YEV SAID, WOULD ALLOW SOVIETS TO REMAIN  
"WITHIN CEILING" AS REGARDS COMMERCIAL PERSONNEL IN U.S.  
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2. ZINOV'YEV COMPLAINED THAT IN LOOKING INTO REASONS FOR  
THIS PERSONNEL SHIFT, DEPARTMENT OF STATE SEEMED UNNECES-  
SARILY INQUISITIVE AND DEMANDING. WHY, HE ASKED, DID  
STATE DEPARTMENT CONSIDER IT IMPORTANT TO DISCUSS OPERA-  
TIONS OF BMI IN DETAIL WITH SOVIET TRADE REPRESENTATIVE IN  
WASHINGTON? IT WAS TRUE, HE SAID IN ANTICIPATION OF HIS

VISITOR'S RESPONSE, THAT SOVIET GOVERNMENT REQUIRED STATEMENTS PERIODICALLY ON OPERATIONS OF U.S. FIRMS REPRESENTED IN USSR. SUCH STATEMENTS, HOWEVER, WERE NOT CURRENTLY REQUIRED IN U.S. REGARDING OPERATIONS OF SOVIET COMMERCIAL ENTERPRISES THERE. HE THOUGHT THAT PERIODIC STATEMENTS OF THAT SORT WOULD BE PREFERABLE TO DETAILED QUESTIONING TO WHICH HE ALLEGED BMI WAS CURRENTLY BEING SUBJECTED BY STATE DEPARTMENT.

3. STROH WONDERED WHY COMMERCIAL OPERATIONS REPORTS WERE REQUIRED BY SOVIETS AT ALL. HE SUGGESTED THAT INSTEAD OF ADDING TO COMPLICATIONS OF DOING BUSINESS IN EACH OTHER'S COUNTRY THAT SUCH REPORTS BE DROPPED ALTOGETHER. IN REPLY, ZINOV'YEV SAID THAT REPORTS WERE REQUIRED FROM RESIDENT BUSINESS FIRMS OF ALL COUNTRIES AND NOT JUST FROM A FEW. THESE REPORTS WERE NOT NEARLY SO DETAILED, ZINOV'YEV CLAIMED, AS THOSE WHICH DEPARTMENT OF STATE WAS DEMANDING ON BMI OPERATIONS OPERATIONS, BUT ONLY TO EXTENT THAT SOVIET GOVERNMENT REQUIRED INFORMATION ON U.S. FIRMS' OPERATIONS IN USSR. HE SAID HE WISHED TO AVOID TERM "DISCRIMINATION" -- ALTHOUGH THERE WAS CLEARLY "SHEER DISCRIMINATION" OF SOVIET FIRMS IN U.S. -- BUT NONETHELESS FOUND IT DIFFICULT TO UNDERSTAND STATE DEPARTMENT'S PROCEDURE PROPOSAL TO BMI FOR REPORTING ON ITS OPERATIONS (PRESUMABLY PROCEDURE TO WHICH ZINOV'YEV REFERRED IS OUTLINED IN CONFIDENTIAL

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STATE 122479). COMMENT: EMBASSY HAS HEARD THAT CHAIRMAN OF SOVIET FTO TRAKTOROEKSPORT, V.N. MYSHKOV, IS OUT ON A LIMB ON BMI ISSUE AND NEEDS TO SHOW MFT THAT U.S. TRACTOR VENTURE WILL START TURNING A PROFIT SOON. THIS MAY HELP TO EXPLAIN, IN PART, SOVIET PRESSURE FOR MORE BMI EMPLOYEES (AND ALSO, INCIDENTALLY, THEIR PRESSURE ON U.S. TRACTOR FIRMS TO SIGN USSR SALES CONTRACTS AT BMI OFFICES IN NEW YORK RATHER THAN WITH TRAKTOROEKSPORT IN MOSCOW -- THUS PROVIDING SOME INCOME TO BMI FOR ITS "SERVICES".)

COMMENT: EMBASSY CONTINUES TO RECOMMEND THAT NO CONCESSIONS BE MADE TO SOVIETS ON THIS ISSUE AND WE REMAIN IN TOTAL AGREEMENT WITH DEPARTMENT'S REPLY TO SOVIET APPROACH OF MARCH 31 (REFTEL). WE STAND BY OUR EARLIER ASSESSMENT THAT CURRENT LEVEL OF BMI BUSINESS IN U.S. DOES NOT WARRANT ANY INCREASE IN ITS STAFF -- ESPECIALLY IN VIEW OF (1) OVERALL IMBALANCE IN NUMBERS OF COMMERCIAL PERSONNEL IN BOTH COUNTRIES AND (2) MANNER IN WHICH SOVIETS TREAT REQUESTS OF SIMILAR NATURE MADE BY U.S. FIRMS OPERATING IN USSR. MATLOCK

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PERSONNEL, LABOR FORCE, BUSINESS FIRMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Disposition History:** n/a  
**Disposition Reason:**  
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**To:** STATE COM  
**Type:** TE  
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